

APPENDIX 11 — PRICE PROPOSAL TABLES

1. INTRODUCTION

1.1 Document Overview

This document describes the **Price Proposal Tables** that must be submitted for the **Toll Collection System (TCS)** that **WSDOT** desires to procure for the **SR 520 Bridge**. This document is divided into six major sections. Section 1 explains the scope of the document as a whole. Section 2 outlines the general requirements of Appendix 11. Section 3 describes Segment of Work #1. Section 4 describes Segment of Work #2. Section 5 outlines the Total Life-cycle Price Proposal. Section 6 describes the Future SR 520 Toll Collection System.

1.2 Document Scope

The information set forth herein describes the instructions for completion of the Price Proposal Tables for the **Toll Collection System (TCS)** that WSDOT desires to procure.

1.3 Abbreviations and Definitions

All capitalized terms used in this Appendix 11, but not expressly defined herein, have the respective meanings set forth in Appendix 1 – Definitions of the RFP.

2. SR 520 TOLL COLLECTION SYSTEM PRICE PROPOSAL TABLES

The Vendor shall complete all prices tables in this Appendix 11 as a part of its Price Proposal. All prices must be shown in U.S. dollars.

3. SEGMENT OF WORK #1 – SUPPLY AND INSTALLATION OF THE SR 520 TOLL COLLECTION SYSTEM

The Price Proposal for the Supply and Installation segment of Work shall provide a single total installation price for the supply and installation of the SR 520 Bridge Toll Collection System as specified in the requirements of the RFP in support of WSDOT's Tolling Commencement date. The Price entered in the following Total Installation Price for Supply and Installation table shall equal the total of all Milestone payments entered in Toll Collection System Payment Milestones table:

Total Installation Price for Supply and Installation	
Total Installation Price:	\$ _____

Instructions for completing the Toll Collection System Payment Milestones table:

- Provide a Guaranteed Date (Month, Day, & Year) and single Payment Amount for each Milestone.
- The Guaranteed Date for Project Initiation shall be no later than thirty (30) Calendar Days after Notice to Proceed.

- The Payment Amount for Project Initiation shall be no more than ten percent (10%) of the Total Installation Price for Supply and Installation written above.
- The sum of the Payment Amounts for Project Initiation, Design Approval, and Factory Acceptance Test shall be no more than 40% of the Total Installation Price for Supply and Installation written above.
- The sum of the Payment Amounts for Installation Readiness, Operational Readiness, and Tolling Commencement shall be no more than 40% of the Total Installation Price for Supply and Installation written above.
- The Guaranteed Date for Tolling Commencement shall be no later than October 1, 2010.
- The Payment Amount for System Acceptance shall be no less than 20% of the Total Installation Price for Supply and Installation written above.

Toll Collection System Payment Milestones			
Milestone	Qualifying Event	Guaranteed Date	Payment Amount
Project Initiation	WSDOT approval of the following: <ul style="list-style-type: none"> ▪ Project Management Plan ▪ Quality Management Plan ▪ Software Development Plan ▪ Project Schedule ▪ Executed Contract Bond ▪ Insurance Certificates 		
Design Approval	WSDOT approval of the following: <ul style="list-style-type: none"> ▪ Preliminary Design Document ▪ System Design Document (SDD) ▪ Master Test Plan ▪ RTCS Infrastructure Requirements Document 		
Factory Acceptance Test	WSDOT approval of the following: <ul style="list-style-type: none"> ▪ Test Procedures ▪ Factory Acceptance Test Report 		
Installation Readiness	WSDOT approval of the following: <ul style="list-style-type: none"> ▪ Installation Plan ▪ Installation Drawings ▪ Shop Drawings ▪ Traffic Management Plan (TMP) ▪ Traffic Incident Management Plan (TIMP) ▪ MOT Plans ▪ Environmental Compliance Plan ▪ SPCC Plan ▪ Any Applicable Permits ▪ Noise Variance 		
Operational Readiness	WSDOT approval of the following: <ul style="list-style-type: none"> ▪ Commissioning Test Report ▪ Interface Control Test Report 		

Toll Collection System Payment Milestones			
Milestone	Qualifying Event	Guaranteed Date	Payment Amount
Tolling Commencement	WSDOT approval of the following: <ul style="list-style-type: none"> Operational Test Completion Letter 		
System Acceptance	WSDOT approval of the following: <ul style="list-style-type: none"> Operational Test Report As-built Installation Drawing As-Built SDD Maintenance Plan Documentation described in RFP Appendix 3, Section 2.3 Certification from Washington State Department of Revenue that all taxes have been paid 		

4. SEGMENT OF WORK #2 – WARRANTY AND MAINTENANCE OF THE SR 520 TOLL COLLECTION SYSTEM

The Price Proposal for the Warranty and Maintenance segment of Work shall provide a fixed monthly price by year for the warranty and maintenance of the SR 520 Bridge Toll Collection System as specified in the requirements of the RFP. The monthly Price shall include all Services, repair or replacement of Products, travel, lodging, and related expenses. The Price offered shall be presented in the following format:

Monthly Pricing by Year for Warranty and Maintenance			
	<u>Monthly Price</u>	<u>Months</u>	<u>Annual Price</u>
Year 1:	\$ _____	12	\$ _____
Year 2:	\$ _____	12	\$ _____
Year 3:	\$ _____	12	\$ _____
Year 4:	\$ _____	12	\$ _____
Year 5:	\$ _____	12	\$ _____
Year 6:	\$ _____	12	\$ _____
Year 7:	\$ _____	12	\$ _____
Year 8:	\$ _____	12	\$ _____
Year 9:	\$ _____	12	\$ _____

Year 10: \$ _____	12	\$ _____
Total Price for 10 years of Warranty and Maintenance		\$ _____

The Price Proposal for the Warranty and Maintenance segment of Work shall also provide a fixed annual price for the annual performance audit of the SR 520 Bridge Toll Collection System as specified in the requirements of the RFP. The annual price shall include all services, equipment, travel, lodging, and related expenses. The Price offered shall be presented in the following format:

Annual Pricing for Annual Performance Audit	
	<u>Annual Price</u>
End of Year 1:	\$ _____
End of Year 2:	\$ _____
End of Year 3:	\$ _____
End of Year 4:	\$ _____
End of Year 5:	\$ _____
End of Year 6:	\$ _____
End of Year 7:	\$ _____
End of Year 8:	\$ _____
End of Year 9:	\$ _____
Total Price for 9 years of Annual Performance Audit	\$ _____

5. TOTAL LIFE-CYCLE PRICE PROPOSAL

The Price entered in the Total Life-cycle Price Proposal table below shall be calculated as follows:

$$\begin{aligned} & \text{Total Installation Price for Supply and Installation} \\ + & \text{Total Price for 10 years of Warranty and Maintenance} \\ + & \text{Total Price for 9 years of Annual Performance Audit} \\ = & \text{Total Life-cycle Price Proposal} \end{aligned}$$

Total Life-cycle Price Proposal

Total Life-cycle Price Proposal: \$ _____

6. FUTURE SR 520 TOLL COLLECTION SYSTEM

6.1 Price Proposal

The Price Proposal for the future SR 520 Toll Collection System shall provide a lump sum price for the total supply and installation of the Stage 1 and Stage 2 Systems as described in Section 8 of Appendix 2 Project Description. The lump sum price shall be based on 2009 costs and presented in the following format:

Stage 1: Total Supply and Installation Price for two (2) initial lanes in each direction on a new SR 520 bridge

Total Supply and Installation Price: \$ _____

Stage 2: Total Supply and Installation Price for one (1) additional lane in each direction on a new SR 520 bridge

Total Supply and Installation Price: \$ _____

At the time a decision is made by WSDOT to proceed with the Stage 1 and Stage 2 work, WSDOT will negotiate final lump sum prices for the Stage 1 and Stage 2 work with the Vendor. If negotiations with the Vendor prove unsuccessful, in WSDOT's sole judgment, WSDOT may elect to procure the system through a separate procurement process.

6.2 Price Escalation

At the time of negotiations for the Stage 1 and Stage 2 work, WSDOT will determine its starting point for price negotiations by multiplying the Stage 1 and Stage 2 prices by a Composite Escalation Index determined from the following two indices:

- The Consumer Price Index (CPI) for Urban Wage Earners and Clerical Workers for the Seattle-Tacoma-Bremerton metropolitan area (“all items”) as published by the U.S. Department of Labor, Bureau of Labor Statistics.
- The Producer Price Index (PPI) for Commodity Data, which shall be a equal weighting (50%-50%) of the Electrical Machinery and Equipment Index (WPU 117) and the Metals and Metal Products Index (WPU 10), as published by the U.S. Bureau of Labor Statistics.

The composite escalation index calculation will be made using the formula below:

$$(CPI \times 0.5) + ((WPU117 \times 0.25) + (WPU10 \times 0.25)) = CompositeEscalationIndex$$

The following example applying the above composite escalation index computation methodology to a hypothetical situation is provided for illustrative purposes only:

EXAMPLE

Using Stage 1 and an example, the Vendor may propose the following original Total Supply and Installation Price:

**Stage 1: Total Supply and Installation Price for two (2) initial lanes
in each direction on a new SR 520 bridge**

Total Supply and Installation Price: \$ 1,500,000

Assuming WSDOT notified the Vendor that construction on the future SR 520 bridge TCS would be initiated in November 2014, the Vendor may propose the following calculations of the escalated price as a starting point for negotiations:

<i>Index</i>	<i>Description</i>	<i>Start Date November 2009</i>	<i>End Date November 2014</i>	<i>Escalation Index End/Start</i>
CPI	Labor (Seattle-Tacoma-Bremerton)	196.3	211.7	1.078
WPU 117	Machinery and Equipment	112.2	119.1	1.061
WPU 10	Metals and Metal products	168.6	205.4	1.218

$$(1.078 \times 0.5) + ((1.061 \times 0.25) + (1.218 \times 0.25)) = CompositeEscalationIndex$$

$$0.539 + (0.265 + 0.305) = 1.109$$

$$\$1,500,000 \times 1.109 = \$1,663,500$$

Therefore, the future price from which the negotiations would begin in this example is **\$1,663,500** for Stage 1 of the future SR 520 bridge.